



LEADING EDGE MATERIALS CORP.

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TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF | FRA: 7FL

NEWS RELEASE

January 24, 2024

LEADING EDGE MATERIALS REPORTS FISCAL 2023 RESULTS

Vancouver, January 24, 2024 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) announces results for the fiscal year ending October 31, 2023. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After Fiscal 2023

During the fiscal year ended October 31, 2023, the Company:

- On January 23, 2023, the Company announced that it is ahead of schedule in exploration of its exclusive and 100% owned Bihor Sud license in the Apuseni Mountains of central-western Romania. Furthermore, extensive Nickel and Cobalt mineralisation has been visually identified over 100 m in the first of the recently opened historic galleries on the property.
- On March 1, 2023, the Company announced it identified extensive Co-Ni-mineralization 50 metres above the previously reported Gallery 7 at its Bihor Sud project in Romania.
- On April 26, 2023, the Company granted stock options to directors, officers and consultants of the Company to purchase an aggregate of 4,700,000 common shares of the Company, at exercise price of C\$0.195 per Optioned Share, expiring on the date that is 5 years from the date of grant for directors and officers and three years from the date of grant for consultants. The Options will vest 33% on the date of the grant, 33% one year after the date of grant and 34% two years after the date of grant. The Options were issued pursuant to the terms of the Company's Option Plan.
- On June 1, 2023, the Company announced in-situ assay results at over 30% Nickel and 4.7% Cobalt at Bihor Sud. Additionally, surface trench assay results indicate a zone of Pb-Zn-Ag mineralisation.
- On August 23, 2023, the Company completed a private placement financing of 21,739,130 units at a price of \$0.115 per unit for gross proceeds of \$2,500,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at an exercise price of \$0.225 per share, expiring August 23, 2027. The Company paid finders' fees of \$20,930 cash and issued 7,000 finder's warrants.
- On October 25, 2023, the company announced receiving high grade Cobalt-Nickel results from systematic gallery chip sampling at its Bihor Sud Project, Romania. Results confirm in-situ high grade Co-Ni-Au and Cu-Zn-Pb-Ag mineralization within +150 m and 350 m gallery segments in G7 and G4 respectively. G7 highlights include 3.5% Cobalt, 29.7% Nickel and 15.65 g/t Au. G4 highlights include 11.7% Copper, 11.7% Lead and 18.7% Zinc.

After the fiscal year ended October 31, 2023, the Company:

- On December 14, 2023, the company announced it has received further positive assay results for Co-Ni-Au from Gallery 7. This second batch of 104 samples prolongate the zone of Co-Ni-Au-occurrences by about 250 m to a total length of roughly 400 m NNW-SSE, and constitute the central-southern part of G7 at the Bihor Sud project in Romania. Highlights include 6.7% Co, 13.0% Ni, 7.5 g/t Au.

Results of Operations

Three Months Ended October 31, 2023, Compared to Three Months Ended July 31, 2023

During the three months ended October 31, 2023 ("Q4 2023") the Company reported a net loss of \$387,343 compared to a reported net loss of \$322,392 for the three months ended July 31, 2023 ("Q3 2023"), an increase in loss of \$64,951, Major movements are in Shares based compensation booked during Q4 2023 of \$46,683 compared to \$Nil in Q3 2023 , Accretion of provision for site restoration booked during Q4 2023 of \$74,428 compared to \$10,200 in Q3 2023, which is offset by foreign exchange gain booked during Q4 2023 of \$125,700 compared to loss of \$51,554 in Q3 2023 and interest booked during Q4 2023 of \$26,959 compared to \$9,047 in Q3 2023 .

Year Ended October 31, 2023, Compared to Year Ended October 31, 2022 (Restated)

During the year ended October 31, 2023 ("fiscal year 2023") the Company reported a net loss of \$2,582,473 compared to a net loss of \$3,163,557 for the year ended October 31, 2022 ("fiscal year 2022"), a decrease in loss of \$581,084. The decrease in loss was primarily attributed to Directors and officer's compensation of \$182,341 in fiscal year 2023 compared to \$443,700 in fiscal year 2022, Shares based compensation during fiscal year 2023 of \$854,275 compared to \$974,462 in fiscal year 2022 and foreign exchange loss of \$137,529 in fiscal year 2023 compared to gain of \$151,206 in fiscal year 2022.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2023				Fiscal 2022			
	October 31, 2023 \$	July 31, 2023 \$	April 30, 2023 \$	January 31, 2023 \$	October 31, 2022 (Restated) \$	July 31, 2022 (Restated) \$	April 30, 2022 (Restated) \$	January 31, 2022 (Restated) \$
Operations								
Expenses	(582,552)	(313,950)	(1,048,182)	(489,432)	(860,062)	(685,569)	(700,413)	(459,407)
Other items	195,209	(8,442)	(187,421)	(147,703)	308,721	(190,659)	(356,226)	(219,942)
Comprehensive profit/(loss)	(387,343)	(322,392)	(1,235,603)	(637,135)	(551,341)	(876,228)	(1,056,639)	(679,349)
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Financial Position								
Working capital	2,713,098	848,952	1,344,044	2,124,643	1,365,657	1,686,095	2,396,484	3,236,870
Total assets	25,387,449	23,584,544	24,181,654	24,845,430	23,832,418	24,827,062	25,000,847	30,597,341
Total non-current liabilities	(4,670,790)	(5,109,575)	(5,404,808)	(5,556,603)	(5,292,618)	(6,159,922)	(6,045,964)	(10,812,012)

Financial Condition/Capital Resources

During the year ended October 31, 2023, the Company recorded a net loss of \$2,582,473 and, as of October 31, 2023, the Company had an accumulated deficit of \$46,850,300 and working capital of \$2,713,098. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs and is conducting ongoing research and development to produce higher value specialty products. The Company is also evaluating a potential restart of production at the Woxna Graphite Mine. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations

at the Woxna Graphite Mine, establish a production facility for the Anode Project, to fund future development of the Norra Karr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

Outlook

The past twelve months have been characterized by two major trends which directly impact our business. Firstly, the increasing adoption and sales volumes of EV's. And secondly, the more urgently accommodating legislative environment in the EU to support local extractive industries.

The latter actually taking shape as industrial policy, hardly seen in the western world since WW2. We have in previous quarterly notes followed how this has developed via the Critical Raw Materials Act and the Net-Zero Industry Act, and keep getting continuously encouraged by speed and magnitude of actions from Brussels and member states.

European Commission President Ursula von der Leyen, in her recent annual State of the Union address offers many highlights¹. "Next phase of European Green Deal" is in fact broad industrial policy using climate agenda to improve competitiveness. Concerns are voiced at Asian supply chains outcompeting as well as US green subsidy schemes undercutting European businesses. It all starts with access to raw materials and process technologies of these.

We remain convinced that we are in the right place with the right assets to play our part in combatting the threat of a European de-industrialization.

Woxna Graphite Mine

In terms of our assets and the underlying materials needed for the green transition, natural graphite remains a particularly interesting commodity according to many analysts². This is because graphite is a core component in almost all lithium-ion chemistries, with extreme dependance on Asian supply chains and importance to help decarbonize battery anodes. Many analysts predict a six- to sevenfold increase in graphite demand by 2030³, amongst the most severe of any commodity.

We maintain our built and permitted Woxna graphite mine and plant on care and maintenance, while monitoring market signals to consider a restart of graphite concentrate production, as the first step to

¹ <https://www.euractiv.com/section/energy-environment/news/von-der-leyen-outlines-next-phase-of-european-green-deal-with-heavy-industry-focus/>

² <https://www.fastmarkets.com/insights/graphite-market-outlook-five-key-factors-to-watch>

³ <https://www.economist.com/finance-and-economics/2023/09/11/how-to-avoid-a-green-metals-crunch>

⁴ https://source.benchmarkminerals.com/article/why-battery-material-prices-slumped-under-pressure-in-the-first-half-of-2023?mc_cid=1c25ba3e5d&mc_eid=33b1527344

⁵ https://source.benchmarkminerals.com/article/natural-graphite-market-dominated-by-oversupply-2023-in-review?mc_cid=2a16054797&mc_eid=33b1527344

⁶ https://source.benchmarkminerals.com/article/in-charts-why-decoupling-from-chinas-anode-market-could-be-difficult-for-the-west?mc_cid=b3fbca6cc2&mc_eid=33b1527344

⁷ <https://asia.nikkei.com/Spotlight/Supply-Chain/China-s-graphite-export-curbs-take-effect-with-uncertainty-for-EVs#:~:text=BEIJING%20%2D%20China%20on%20Friday,curbs%20targeting%20China's%20tech%20sector.>

⁸ <https://www.reuters.com/markets/commodities/chinese-rare-earth-prices-hit-20-month-high-myanmar-supply-worry-2023-09-07/>

⁹ <http://news.chinatungsten.com/en/component/content/article/14-tungsten-news-en/tungsten-product-news/158697-tpn-12740.html>

¹⁰ <https://pubs.acs.org/doi/full/10.1021/acs.est.3c01327>

¹¹ <https://energydigital.com/articles/neo-produces-specialised-magnets-for-clean-energy-tech>

¹² <https://www.fastmarkets.com/insights/rare-earth-magnet-production-outside-asia-gearing-up-2024-preview/>

developing a downstream anode business. Despite the looming demand-supply deficit flake graphite prices have remained weak to date this year.⁴ Increased capacity in Chinese synthetic graphite production has been an important factor⁵. It is estimated that China accounts for 92% of global anode production⁶. This is important as it leads to constraints and impairs competitiveness for European auto industry. Additionally, Chinese initiatives in December to restrict exports⁷ of graphite have stimulated western cell manufacturers to reconsider resilience of their supply chains.

Of course, this offers Sweden a great opportunity as a producer, and Woxna a first mover advantage to help address this.

Norra Kärr Heavy Rare Earth Project

At our Norra Kärr development project, we have during the past year been progressing work with a Natura 2000 permit application. To our benefit, the Swedish government signal legislative changes which positively impact us, as we believe that the requirement for a Natura 2000 permit will be shifted further along the process. To that end we are pleased to now proceed with full focus on our mining lease application. The Natura 2000 permit being deferred, to be resumed later on when we apply for the environmental permit without losing benefit of work having been done to date.

This is a direct consequence of the government initiative to ensure more pragmatic permitting process.

As this is done based on the new 2021 design of this project, we are benefitting from authorities and other stakeholders evaluating the merits of the project based on recent plans that substantially reduce the potential for environmental risk. In parallel, we have started working towards a new mining lease application as well as evaluating the most appropriate next stages of feasibility development.

In the meantime, we are pleased to follow beneficial developments in the rare earth and permanent magnet space. Prices for the magnet metals have increased⁸ because of supply concerns in Asia. We are told that China, being the dominant processor of concentrate and magnet producer, is actively trying to tie up supply around the world. In particular, it is the heavy rare earths which are a challenge to secure, with prices squeezing higher⁹. Dysprosium is turning out to be a crucial bottleneck¹⁰, noteworthy is that of REE projects globally, Norra Kärr is one of the absolute best in terms Dysprosium potential.

Last year, the Canadian company Neo Performance Materials have broken ground on building a rare earth permanent magnet factory in Estonia¹¹. This is important as it demonstrates, as we have said, the emergence of new Western producers of these critical products. Norra Kärr, as one of the largest HREE deposits globally, and the only one in the EU, has the potential to be a cornerstone supplier to Western magnet producers¹².

Bihor Sud Nickel-Cobalt Exploration Project

Since having obtained permission to enter our underground galleries last year, this project has been advancing rapidly. As communicated, in situ samples from G7 gallery walls have assayed up to 30% Ni and 4.7% Co while surface trench assay results indicate a zone of Pb-Zn-Ag mineralization.

In October we reported receiving high grade Cobalt-Nickel results from systematic gallery chip sampling. Results confirm in-situ high grade Co-Ni-Au and Cu-Zn-Pb-Ag mineralization within +150 m and 350 m gallery segments in G7 and G4 respectively. G7 highlights include 3.5% Cobalt, 29.7% Nickel and 15.65 g/t Au. G4

highlights include 11.7% Copper, 11.7% Lead and 18.7% Zinc.

In December we announced further positive assay results for Co-Ni-Au from Gallery 7. This second batch of 104 samples prolongate the zone of Co-Ni-Au-occurrences by about 250 m to a total length of roughly 400 m NNW-SSE, and constitute the central-southern part of G7 at the Bihor Sud project in Romania. Highlights include 6.7% Co, 13.0% Ni, 7.5 g/t Au.

Further extensive Co-Ni mineralization has been identified 50 m above G7 in a cross cut coming from the higher level gallery G4. These results confirm our belief that this is a high prospective exploration project with potential for both scale and high-grade mineralization.

We are working towards doing a surface drill program on 50-100 m deep geophysical anomalies and to explore the depth extent of G7 Co-Ni-mineralization, as well as an underground drill program from inside G4 and G7.

Additionally, we have recently entered our next target, Gallery 2, which we have started mapping and for which we have high expectations.

Financial Information

The report for three months ending January 31, 2024, is expected to be published on or about March 22, 2024.

On behalf of the Board of Directors, Leading Edge Materials Corp.

Eric Krafft, Interim CEO

For further information, please contact the Company at:

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www.leadingedgematerials.com

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Twitter: <https://twitter.com/LeadingEdgeMtls>

Linkedin: <https://www.linkedin.com/company/leading-edge-materials-corp/>

About Leading Edge Materials

Leading Edge Materials is a Canadian public company focused on developing a portfolio of critical raw material projects located in the European Union. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), Norra Karr HREE project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania).

Additional Information

The Company's audited consolidated financial statements for the year ended October 31, 2023 and related management's discussion and analysis are available on the Company's website at www.leadingedgematerials.com or under its profile on SEDAR at www.sedarplus.com.

The information was submitted for publication through the agency of the contact person set out above, on January 24, 2024 at 11:00 am Vancouver time.

Leading Edge Materials is listed on the TSXV under the symbol "LEM", OTCQB under the symbol "LEMIF" and Nasdaq First North Stockholm under the symbol "LEMSE". Mangold Fondkommission AB is the Company's Certified Adviser on Nasdaq First North and may be contacted via email CA@mangold.se or by phone +46 (0) 8 5030 1550.

Reader Advisory

Certain information in this news release may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; the possibility of write-downs and impairments; the risks associated with uninsurable risks arising during the course of exploration; development and production; the risks associated with changes in the mining regulatory regime governing the Company; the risks associated with tenure to the Norra Karr property; the risks associated with the various environmental regulations the Company is subject to; rehabilitation and restitution costs; the Woxna project has never defined a mineral reserve. The Woxna project has never defined a mineral reserve. On June 9, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Woxna (the "2021 Woxna PEA"), the full details of which are included in a technical report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Woxna PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. On July 22, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Norra Karr (the "2021 Norra Karr PEA"), the full details of which are included in a technical report titled "PRELIMINARY ECONOMIC ASSESSMENT OF NORRA KARR RARE EARTH DEPOSIT AND POTENTIAL BY-PRODUCTS, SWEDEN" prepared for Leading Edge Materials Corp. with effective date August 18, 2021 and issue date August 19, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Norra Karr PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.

On March 11, 2020, the World Health Organization ("WHO") declared the novel coronavirus outbreak identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel, as recommended by the various governments. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.